

RECORDATION NO. 6987 Filed & Recorded

APR 5 1973 9:30 AM

INTERSTATE COMMERCE COMMISSION

STATE OF TEXAS

COUNTY OF ERATH

On this second day of April, 1973, I, Fred Buchanan, compared the two attached certified true copies entitled DEED OF TRUST AND SECURITY AGREEMENT and find that both are true and correct copies in all respects of the signed original DEED OF TRUST AND SECURITY AGREEMENT also attached hereto.


Notary Public

My commission expires

June 1973.

INTERSTATE
COMMERCE COMMISSION
RECEIVED
APR 5 1973
ADMINISTRATIVE SERVICES
MAIL BRANCH

DEED OF TRUST
AND
SECURITY AGREEMENT

STATE OF TEXAS

RECORDATION NO. 6987 Filed & Recorded

COUNTY OF ERATH

APR 5 1973 9:10 AM

INTERSTATE COMMERCE COMMISSION

KNOW ALL MEN BY THESE PRESENTS:

That this Deed of Trust and Security Agreement by and between Grantor, Texas Central Railroad Company, a Texas corporation whose principal office is in Dublin, Texas, in Erath County, (hereinafter called "Railroad"), and LLOYD LONDON OF
CISCO, TEXAS, OF EASTLAND COUNTY as Trustee, (hereinafter called "Trustee"), and Gorman Peanut Company of Gorman, Texas, in Eastland County (hereinafter called "GPC"), witnesseth:

Railroad, for and in consideration of the sum of ten (\$10.00) dollars cash in hand paid by the Trustee, the receipt of which is hereby acknowledged and of the trust hereinafter created and declared, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell and convey unto him, the Trustee, the following described real estate, personal property, rights, privileges, franchises and interest of every kind whether now owned or hereafter acquired (except as otherwise hereinafter provided) including particularly, but without in any way limiting the inclusiveness of the above, the following:

All the Real Estate, personal property, securities, leases, rights and franchises, described in Exhibit A annexed hereby and made a part hereof, together with all and singular the properties of the company located in and furnishing rail service in, about and adjacent to the Cities of Rotan, Hamlin, Stamford, Dublin, De Leon, and Gorman, and Counties of Fisher, Jones, Eastland, Comanche, and Erath, Texas, including but without limitation, all lands, buildings, plants, systems, works, improvements, structures, fixtures, appliances, machinery, tools, implements, office furniture, telephone and telegraph lines, including but without limitation all rails, ties, locomotives, cars and equipment of every kind and nature whatsoever, and any and all interests therein and all rights of way, franchises, ordinances, privileges, immunities, consents, permissions, leases and other rights, privileges, contracts, agreements, and any and all interest therein, now owned or at any time hereafter acquired by the Railroad and used, held for use, or in any way pertaining to the systems and properties hereinabove referred to and any additions thereto and extensions thereof.

Together with all and singular the tenements, hereditaments and appurtenances belonging to the aforesaid property, rights and franchises, or any part thereof with the reversions, remainders, tolls, revenues, rents, earnings, issues, income, profit and benefits arising or to arise out of or to be received or had of and from the property hereby mortgaged or intended so to be and all the estate, right, title, interest, and claim, at law or in equity, which the Railroad now has or may hereafter acquire in and to the aforesaid property, rights, and franchises, and every part thereof.

Also all other real estate and personal property, or interest therein, now owned or which may hereafter be acquired by the Railroad, and all rights, privileges, franchises, easements, licenses, ordinances, grants, rights of way and permits, howsoever acquired or conferred, and whether now owned or hereafter acquired, together with all rents, issues and profits thereof and all contracts, leases, claims, demands, choses in action, contract rights, and all other property of any and every kind, nature and description, real, personal and mixed, wheresoever situated and not hereinbefore specified or referred to and the reversions, remainders, rents, issues and profits, if any thereof.

Saving and Excepting However from the lien of this Mortgage (i) all cash, (ii) accounts receivable, (iii) current inventories of materials and supplies, and (iv) however, that the property and rights so expressly excepted and excluded shall (to the extent permitted by law) cease to be so excepted and excluded in the event that either Trustee or a receiver shall enter upon and take possession of the Mortgaged Property in the manner provided herein by reason of a default hereunder.

Provided however if any property description herein contained operated, operate, or would prospectively operate to invalidate any part, clause, or provision of the Mortgaged Property description, then such part, clauses and/or provisions shall be naught as though not herein contained, and the remainder of this mortgaged property description, shall remain operative and in full force and effect. TO HAVE AND TO HOLD the above described property together with all the singular the rights and appurtenances thereto belonging (all being hereinafter called the Mortgaged Property) unto the Trustee, his successors or substitutes in this trust forever.

And the Railroad hereby binds itself, its successors and assigns to warrant and forever defend the title to the said Mortgaged Property against all persons whomsoever lawfully claiming or to claim the same; and does hereby specially covenant with the Trustee that the Railroad is seized of said Mortgaged Property and entitled to convey the same and that said Mortgaged Property is free and clear of all encumbrances except as herein otherwise mentioned.

It is understood and agreed that this Deed of Trust and Security Agreement is inferior to and subject to the Deed of Trust and Security Agreement executed by Railroad on July 13, 1971 and/or executed on March 6, 1972 to Robert H. Alvis of

Taylor County, Abilene, Texas as Trustee for the Citizens National Bank in Abilene, of Taylor County, Abilene, Texas, Mortgagee and Beneficiary, in the principal sum of \$350,000.00 and recorded in The Frath County Courthouse in Abilene, Texas.

This conveyance is made in trust, however, in consideration of the absolute and unconditional guaranty by GPC of repayment of the \$350,000.00 loan made to Railroad and/or Texas Central Enterprises of Dublin, Texas in Frath County (through interim promissory notes loans totaling \$350,000.00) by the Citizens National Bank in Abilene, Abilene, Texas in Taylor County, on July 13, 1971 or in consideration of reexecuting said guaranty upon combining all interim promissory note obligations into a \$350,000.00 note entitled "Final Note" executed on March 6 1972 in Abilene, Texas, by said borrowers.

This conveyance is made in trust to secure repayment in full to GPC for all amounts expended in honoring its corporate guaranty, if any. If GPC expends any amounts in honoring said guaranty, then Railroad agrees to repay same at Railroad's main office in Dublin, Texas to GPC in monthly installments in such amounts as Trustee shall direct, until GPC is repaid in full, but monthly installments shall not exceed five thousand eight hundred dollars per month, (\$5,800.00), said monthly installments to begin ninety (90) days from the date that GPC first honors it's guaranty. "All amounts expended in honoring GPC's guaranty" include repayment of principal, and all costs incurred by Trustee or GPC to obtain, preserve and/or enforce this Deed of Trust and Security Agreement, collect the obligation, and maintain and preserve the collateral, and including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees and legal expenses, rent, storage costs, and expenses of sale.

It is specifically agreed that ALL AMOUNTS PAID BY GPC TO CITIZENS NATIONAL BANK IN ABILENE FOR RAILROAD IN HONORING ITS GUARANTY SHALL NOT BEAR INTEREST.

It is expressly provided that this Deed of Trust and Security Agreement shall become null and void when said debt of \$350,000.00 to Citizens National Bank in Abilene shall cease and GPC shall have been repaid in full for all amounts expended in honoring its corporate guaranty, if any.

No remedy herein contained or conferred upon GPC or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to GPC or Trustee, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

If any clauses or provisions herein contained operate, or wou

prospectively operate to invalidate this Mortgage, then such clauses and provisions only shall be held for naught as though not herein contained, and the remainder of this instrument shall remain operative and in full force and effect.

It is agreed that if default be made in the payment of any installment, if any, or in the performance of the covenants or agreements herein contained, or any of them, then at the option of GPC, the whole of the principal debt herein secured shall become due and payable, and may be collected by suit or by proceedings hereunder; and it is further agreed that if said indebtedness is not paid when due, and is placed in the hands of an attorney for collection, or if collected through the Probate Court, a reasonable amount shall be added thereto as attorneys' fees.

It is also agreed that this Deed of Trust covers any and all renewals of the above described indebtedness.

NOW, THEREFORE, if the said indebtedness be paid, as the same becomes due and payable, and if the covenants and agreements herein contained be kept and performed, then, and in that case only, this conveyance shall become null and void, and the property herein conveyed shall become wholly clear of said debt, and these presents released in due form at the Grantor's cost, otherwise to remain in full force and effect; but if default shall be made in the payment of any installment, when the same shall become due or in case of the breach of any of any other agreements or covenants herein mentioned, then at the request of GPC, the said Trustee, or his successor or successors appointed hereunder, is hereby authorized and empowered to sell the Mortgaged Properties hereby conveyed, at public auction, to the highest bidder for cash, at the respective Court House doors of Fisher, Jones, Eastland, Comanche, and Erath Counties, Texas, between the hours of ten o'clock a.m. and four o'clock p.m., on the first Tuesday in any month after having given notice of the time, place and manner of sale by posting written notices thereof at three public places in each county, one of which shall be at the Court House door of each county, for three consecutive weeks prior to the day of sale, and it is hereby agreed that the said Trustee, or his successor, may sell said property, together or in lots or parcels, as to him shall seem expedient; and after said sale as aforesaid, shall execute and deliver to the purchaser or purchasers thereof, good and sufficient deed or deeds in law to the property so sold, in fee simple, with the usual warranties and shall receive the proceeds of said sale, and out of the same shall pay: First, all charges, costs and expense of executing this trust including a fee of 5% to the Trustee on the total of the indebtedness secured by this deed of trust; Second, any superior mortgage mentioned herein, if any; Third, the warranty above described a

all sums of money due or to become due hereunder, and; Fourth, shall render the overplus, if any, unto the undersigned herein, or legal representatives or assigns.

IT IS FURTHER AGREED that, in the event of a foreclosure under the power granted hereby, the owner in possession of said property, or any one claiming under him and in possession as tenant or otherwise, shall thereupon become the tenant at will of the purchaser at such foreclosure sale, and should such tenant refuse to surrender possession of said property upon demand the purchaser shall thereupon be entitled to institute and maintain the statutory action of forcible entry and detainer, and procure a writ of possession thereunder.

IT IS FURTHER AGREED that in the case of the death, resignation removal or absence of said Trustee from the County of EASTLAND Texas, or his refusal or failure or inability to act, then GPC shall be and is hereby authorized to appoint a substitute in writing who shall thereupon succeed to all the estate, rights, powers and trusts granted to the Trustee herein named.

IT IS SPECIALLY AGREED that in case of any sale hereunder, all prerequisites to said sale shall be presumed to have been performed, and that in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the non-payment of money secured, or as to the breach or non-performance of any of the covenants herein set forth, or as to the request of the Trustee to enforce this trust, or as to the proper and due appointment of any substitute Trustee, or as to the advertisement of sale, or time or place or manner of sale, as to any other preliminary act or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

Supplementing and in no manner superceding or to the exclusion of the authority elsewhere herein given the Trustee to foreclose under the power of sale, it is agreed, stipulated and covenanted that in case default shall be made in the performance of any covenant or agreement herein required to be kept or performed by Railroad and the Railroad shall fail to remedy such default hereunder within ten days after notice thereof is given to it by Trustee, then and in any such event all indebtedness hereby secured shall become due and payable at the option of Trustee and shall be collectible in a suit at law or by foreclosure of this Mortgage, or Trustee may avail itself of such remedy at law or in equity as may be appropriate for the protection or enforcement of its rights and interest under the Note or this Mortgage; and without limiting the foregoing it shall be lawful for Trustee (to the extent permitted by law) either directly or indirectly through its agents or attorneys to take possession of the Mortgaged Property and to receive and collect the rents, issues and profits thereof.

Upon the commencement of any suit or proceeding to foreclose this Mortgage or for the enforcement of any other right of remedy hereunder, GPC shall be entitled as a matter of right (to the extent permitted by law) to have a receiver appointed of all the Mortgaged Property with power to take possession of and to collect the earnings, income, tolls, rents, issues and profits of the Mortgaged Property without regard to the then solvency or insolvency of the Railroad and without regard to the then value of the Mortgaged Property and with such further or additional powers over the Mortgaged Property as the court may deem proper, the amounts so collected by said receiver to be applied after the payment of the costs of such receivership, taxes accruing during such period, insurance and other expenses as may be directed by the court, to the payment of the indebtedness hereby secured.

In the event of a judicial sale of any of the Mortgaged Property as a result of any suit or proceeding to foreclose this Mortgage or for the enforcement of any other right or remedy hereunder, GPC, or anyone acting in its behalf, may bid and purchase at such sale as if a stranger to this Mortgage.

Any delay or omission by Trustee or by Guarantor to exercise any rights or powers arising from any default or any partial exercise thereof shall not impair any such rights or any acquiescence therein and no waiver or acquiescence in any particular default shall operate as a waiver of or affect or impair any rights of Trustee or such holder in respect of any subsequent default, or impair or affect any rights or powers resulting therefrom.

IN WITNESS WHEREOF, the Railroad has caused this Deed of Trust and Security Agreement to be executed by its duly authorized officer and its corporate seal to be hereunto affixed and attested by its Secretary on this the 4th day of October, 1972

TEXAS CENTRAL RAILROAD COMPANY

BY M. E. Shell
M. E. Shell, President

T. E. Shell, Exc. Vice President
T. E. Shell, Exc. Vice President

ATTEST:

Roswill
Secretary

(CORPORATE)

STATE OF TEXAS

COUNTY OF Erath

BEFORE ME, the undersigned authority, on this day
personally appeared M. E. Shell, President

of Texas Central Railroad Company, a corporation, known to
me to be the person and officer whose name is subscribed to the
foregoing instrument, and acknowledged to me
that he executed the same for the purposes and consideration therein
expressed, in the capacity therein stated and as the act and deed of
said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this
4th day of October, 1972.

(Seal)

B. DeLaine Mercer
Notary Public in and for
Erath County, Texas

(CORPORATE)

THE STATE OF TEXAS

COUNTY OF ERATH

BEFORE ME, the undersigned authority, on this day
personally appeared T. E. Shell, Vice President

of Texas Central Railroad Company, a corporation, known to me
to be the person and officer whose name is subscribed to the
foregoing instrument, and acknowledged to me
that he executed the same for the purposes and consideration therein
expressed, in the capacity therein stated and as the act and deed of
said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this
4th day of October, 1972.

(Seal)

B. DeLaine Mercer
Notary Public in and for
Erath County, Texas

1. The old MKT Railroad right of way, from Stamford, Texas to Rotan, Texas, located in Jones and Fisher Counties

2. The old MKT Railroad right of way from Dublin, Texas to Gorman, Texas, located in Erath, Comanche and Eastland Counties

3. The Stamford Depot, located in the City of Stamford, Jones County, Texas, described as follows: Starting at a point 8-1/2 ft. North of Main line of Texas Central Railroad at Chaining Station 11897 / 10; Thence North 150 feet; Thence 90° 150 ft. West to a point 8-1/2 ft. from Main Line of Texas Central; Thence 90°; Thence 175 feet in a Southwesterly direction to a point of beginning - Block 26, Original Town of Stamford

4. The Hamlin Depot, located in the City of Hamlin, described as follows: Starting at a point 8-1/2 feet South of Main line of Texas Central Railroad at Chaining Station 12941 / 02; Thence 100' South 90° in an Easterly direction 200'; Thence 90° 100 feet North; Thence 90° West 200' to point of beginning - Nobles and Smith Addition City of Hamlin, Block 9 - J. S. Hall Survey No. 3, Jones County, Texas

5. The Rotan Depot, located in the City of Rotan, described as follows: Starting at a point 8-1/2 feet North of Main line of Texas Central Railroad at Chaining Station 14107 / 3; Thence 100 feet at right angles to said tract in a Northerly direction; Thence 90° 200' in an Easterly direction; Thence 90° 100 feet in a Southerly direction to a point 8-1/2 feet North of Centerline of Texas Central Railroad Main line; Thence 90° a distance of 200 feet to point of beginning - area in Block 9, Original Townsite of Rotan, H&TC Survey, Fisher County, Texas.

6. The Dublin Depot, located in the Town of Dublin, described as follows: Beginning at a point 8-1/2 feet North of Main line of Texas Central Railroad; Thence 75 feet North; Thence 90° 250 feet West; Thence 90° 75 feet South; Thence 90° 250 feet East to point of beginning in Block 11, Railroad Addition to City of Dublin, H&TC RR Co. Survey, Erath County, Texas

7. The De Leon Depot, located in the Town of De Leon, described as follows: Beginning at a point 8-1/2 feet South of Main Line of Texas Central Railroad at Chaining Station 6224 / 91; Thence 75 feet South; Thence 90° 300 feet West; Thence 90° 75 feet North; Thence 90° 300 feet East to point of beginning, Block 3, Original Town of De Leon, H&TC Ry. Co. Survey, Comanche County, Texas

8. The Gorman Depot, located in the Town of Gorman, described as follows: Beginning at a point 8-1/2 feet South of Main line of Texas Central Railroad at Chaining Station 6800 / 95; Thence 75 feet South; Thence 90° 150 feet West; Thence 90° 75 feet North; Thence 90° 150 feet East, H&TC R.R. Survey, Eastland County, Texas

9. 2700 shares of the common stock of Texas Central Railroad Company

10. 4 Alco diesel electric locomotives

11. All rails, ties and other movable equipment located on the old MKT railroad right of way, in two segments - the first segment being from Stamford, Texas, to Rotan, Texas, and the second, from Dublin, Texas, to Gorman, Texas, the first being located in the Counties of Jones and Fisher, and the second in Erath, Comanche and Eastland